

# FAREHAM

BOROUGH COUNCIL

## Minutes of the Housing Scrutiny Panel

(to be confirmed at the next meeting)

**Date:** Tuesday, 10 March 2020

**Venue:** Collingwood Room - Civic Offices

**PRESENT:**

**Councillor** Mrs K Mandry (Chairman)

**Councillor** S Dugan (Vice-Chairman)

**Councillors:** I Bastable, Mrs C L A Hockley, Ms S Pankhurst, Mrs K K Trott and L Keeble

**Also Present:** F Birkett



**1. APOLOGIES FOR ABSENCE**

There were no apologies received at this meeting.

**2. MINUTES**

RESOLVED that the Minutes of the Housing Scrutiny Panel meeting held on the 07 November 2019 be confirmed and signed as a correct record.

**3. CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements made at this meeting.

**4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS**

There were no declarations of interest made at this meeting.

**5. DEPUTATIONS**

There were no deputations made at this meeting.

**6. TWO SAINTS**

The Panel received a verbal presentation from James McDermott (Regional Director) and Georgina Joyce (Contract and Performance Manager) from Two Saints. Providing details to Members on the matters outlined in the scoping report which was agreed by the Panel at their meeting on the 07 November 2020. Two Saints also provided a report to Members which has been tabled.

The Panel considered the contents of the report and asked questions, primarily around the funding of the service and circumstances Two Saints struggle to support clients. The reduction in funding has had an impact on the services that Two Saints can provide, although Members agreed that they are providing an invaluable service with the monies they do currently receive. The lack of varied accommodation is the main struggle for homeless people across the Borough, as the options that are currently available are not always appropriate meaning Two Saints are not able to support these people.

It was highlighted to Members that, although the funding is sufficient, the current funding streams are applied for annually, meaning funds aren't guaranteed. This causes problems with securing staff and doesn't allow the service to have a long-term strategic plan. The service is therefore providing reactive support for vulnerable people. If funding could be secured for a 3-year period, for example, the service could start to be proactive and support a greater number of local people who are at risk of homelessness.

There were also discussions around the potential impact that a Coronavirus outbreak could have on the homeless community in Fareham. James McDermott advised that meetings are taking place across the area and Two Saints Business Continuity Plan will be discussed to minimise the impact on

staffing and the clients who have underlying health conditions and may contract the virus.

The Chairman thanked Two Saints for attending the meeting and providing the Panel with a very informative report.

RESOLVED that the Housing Scrutiny Panel considered the contents of the verbal presentation and tabled report, making comments and raising questions for clarification.

## **7. AFFORDABLE HOUSING UPDATE**

The Panel received a presentation from Robyn Lyons, Affordable Housing Strategic Lead, which updated the Panel with a detailed overview of the progress of the key sites managed by Fareham Housing.

A copy of the presentation is appended to these Minutes.

Members asked if the delays to the Bridge Road and Highlands Road developments had any financial implications. Officers advised that there is likely to be cost implications for the delays but until the construction is complete these figures couldn't be confirmed.

The presentation also outlined how Fareham Borough Council funds New Council Homes. Several different funding sources are available which all have different rules and restrictions on how and when they can be used. The Affordable Housing Strategic Lead, with the help of the Finance Business Partner, Kate Busby, provided a detailed explanation of this very complex subject to allow Members of the Panel a better understanding of how the Council's new homes are funded and why it is not always possible to easily utilise all the funds available.

RESOLVED that the Housing Scrutiny Panel considered the contents of the presentation.

## **8. MOTION RECEIVED FROM COUNCIL**

The Panel considered a Motion received by Councillor Mrs K K Trott which had been referred to the Housing Scrutiny Panel from the 21 February 2020 Council meeting: -

*"I propose that Fareham Borough Council calls upon the Secretary of State for Housing, Communities and Local Government to review the way Councils can use the proceeds from the 'Right to Buy' policy, in order to facilitate the provision of more, much needed, Affordable homes including those for Social Rent."*

Councillor Mrs K K Trott addressed the Panel to provide details to the Panel on her Motion to Council. She thanked Officers for assisting Members in understanding of the complex issues that influence the use of funding sources for Council homes during Item 7 – Affordable Housing Update. Members expressed frustration at the difficulties facing all Council's with the rules surrounding the funds received from the sale of Council houses through 'Right

to Buy'. Currently these funds have several constraints, including; which sources of funding can be used on the same project, time restrictions and that these funds have to be used in conjunction with a large percentage of funds from the Housing Revenue Account (HRA).

*The Affordable Housing Update presentation (Item 7) attached to these Minutes provides an explanation of these funding sources and how they can be used.*

The Motion was proposed and then seconded with Members unanimously agreeing that a letter be sent to the Secretary of State for Housing, Communities and Local Government from the Chairman of the Housing Scrutiny Panel.

RESOLVED that the Housing Scrutiny Panel: -

- (a) considered the Motion received from Councillor Mrs K K Trott; and
- (b) asked Officers to write a letter on behalf of the Chairman of the Housing Scrutiny Panel to send to the Secretary of State for Housing, Communities and Local Government, requesting a review of the way Councils can use the proceeds from the 'Right to Buy' policy, in order to facilitate the provision of more, much needed, Affordable homes including those for Social Rent

## **9. EXECUTIVE BUSINESS**

The Panel considered the Executive items of business which fall under the remit of the Housing Portfolio, including individual Executive Member decisions, that have taken place since the last meeting of the Panel.

### **(1) Housing Software**

Members asked for further clarification on the decision to replace the current software, seeking confirmation that it is good value for money. Fleur Allaway, Policy Officer, advised Members that it will take some time for the new software to be fully implemented across the Housing Service. Once complete it will save a significant amount of Officer time and allow the Service to become more efficient. She advised that an update could be provided to the Panel at a future meeting if requested by Members.

At the invitation of the Chairman the Executive Member for Housing, Councillor F W Birkett addressed the Panel to provide details on his decision to approve the purchase of the new software. Councillor Birkett explained he was confident that the decision to procure new software was a good investment for the Council and he agreed that a review of the new software once fully implemented would be a good way for the Panel to be assured that the correct decision was made.

In order to answer a question put to Officers by Members of the Panel during discussion on this item, a request was made for the meeting to go into private

session as defined in Paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972.

RESOLVED that in accordance with the Local Government Act 1972 the Public and Press were excluded, as the Panel considered that it is not in the public interest to consider the matters in public on the grounds that they will involve the disclosure of exempt information, as defined in Paragraph 3 of Part 1 of the schedule 12A of the Local Government Act.

Following the answer being given to the satisfaction of the Chairman the meeting was brought back into public session.

Members of the Panel requested that an update on the implementation of the new Housing Software be brought to a future meeting of the Panel for Members to review the benefits of the new Housing Software in operation.

**(2) Draft Fareham Housing Greener Policy**

No comments were received.

**(3) Housing Allocations Policy**

No comments were received.

**(4) Assheton Court, Portchester**

No comments were received.

**10. HOUSING SCRUTINY PANEL PRIORITIES**

The Chairman invited Members of the Panel to consider the Scrutiny Priorities for the Housing Scrutiny Panel.

Members enquired as to when an update on the intentions to provide Affordable Housing through the new Local Plan might be available to bring to the Housing Scrutiny Panel. Officers agreed to investigate this item being brought to the Panel at an appropriate time within the delivery of the Local Plan.

The Head of Housing and Benefits addressed the Panel to advise that a Member of the Panel had contacted her, requesting an update on the new funding that had been received to help tackle the issue of rough sleepers. It was agreed by Members that an item will be brought to the next meeting of the Housing Scrutiny Panel, currently scheduled for the 09 July 2020.

RESOLVED that the Housing Scrutiny Panel: -

- (a) considered the Scrutiny Priorities for the Housing Scrutiny Panel;
- (b) asked officers to investigate bringing an item at the appropriate time, updating the Panel on the affordable housing offer within the draft Local Plan; and

- (c) that a report be brought to the 09 July 2020 meeting to update Members on the allocation of funds received to tackle the issue of rough sleepers.

(The meeting started at 6.05 pm  
and ended at 8.06 pm).



# Affordable Housing Update

Robyn Lyons



1. Site Updates
2. 'First Homes' – government consultation
3. Funding New Council Homes

# Site Updates – Tranche #1

## Bridge Road (Oak Tree Close)

- Delay due to weather & service connections
- Should complete in April 2020
- Prospective tenants being lined up

Page 9



## Highlands (Rose Court)

- Slight delays due to weather
- Should complete early autumn 2020
- Brickwork commenced



# Site Updates – Tranche #2

## Station Road

- March Planning Committee



-Est. construction start autumn/winter 2020

-Est. 12-18 month build programme

## Stubbington Lane

- 11 x houses for Shared Ownership
- March Planning Committee
- Homes England grant application submitted



-Est. construction start by end of 2020

-Est. 12-18 month build programme

## Coldeast former Scout Hut

- 9 flats seem possible (small increase)
- Planning application early summer



-Est. construction start early 2021

-Est. 12 month build programme

# Assheton Court

- Principle of redevelopment agreed by Executive in December 2019
- Redeveloped to provide a larger modern sheltered facility
- Potentially 60-70 flats
- Brief for architects being drawn up
- Architect appointment expected on/before Spring

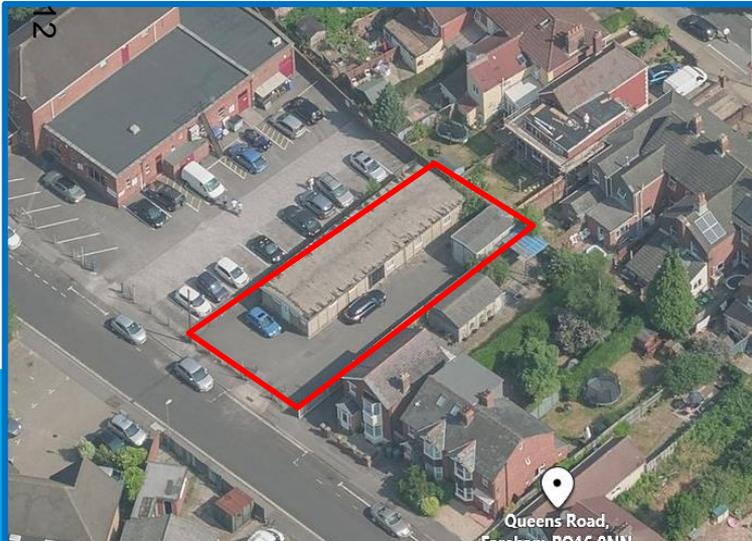
Page 11



# Possible New Sites

- **28 Queens Road**  
(former St. John Ambulance site)
- Two large family houses/disabled use
- Incorporate 'greener' solutions
- Using S106 monies

Page 12



- **15 and 17 Crossfell Walk**
- Significant costs to fix and anti-social issues in undercroft
- Potential demolition and re-build with 1No. larger family house



# First Homes

Current government consultation – closes 3<sup>rd</sup> April 2020

## Overview

- Affordable home ownership
- New homes
- At least 30% below market (this remains on the property for future re-sales)
- For Local People (prioritising first time buyers, key workers, armed forces)
- Council's to determine priority of who gets homes
- First Homes owners can have a lodger/potentially rent out for up to 2 years

Page 13

Sounds good, but....



Ministry of Housing,  
Communities &  
Local Government



Backed by HM Government

**Consultation on the design  
and delivery of First Homes**

February 2020

# First Homes cont.

## Concerns

- Difficulties to set-up
  - Whole new 'waiting list' specifically for First Homes
  - Monitoring/Enforcing any inappropriate use of First Homes
- Impacts to delivery of Affordable/Social Rent homes on planning sites (i.e. s106 delivery)
- Impact to Shared Ownership model
- Confusing for potential purchasers (different waiting lists/eligibility)
- Local Plan impacts (viability work in particular)

Page 14



**Current intention for Officers to provide a response to the consultation**

# Funding New Council Homes

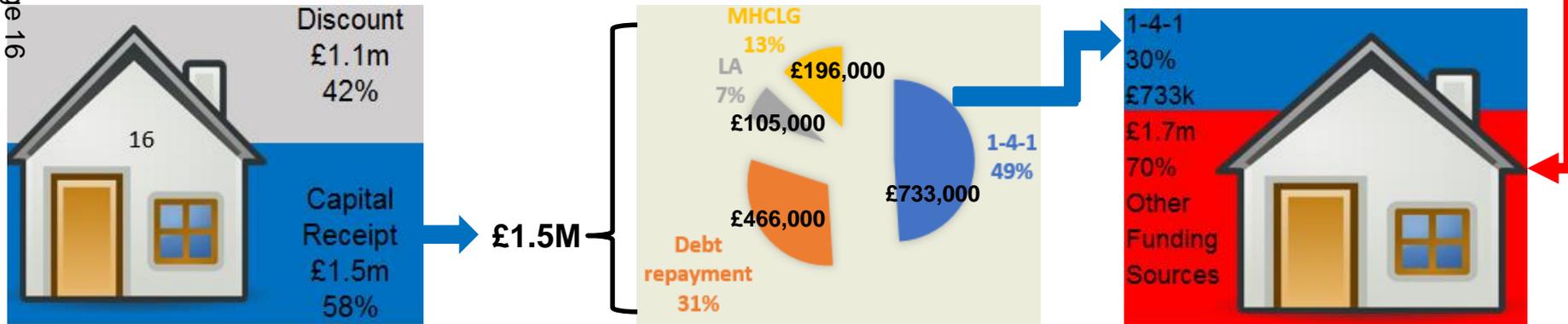
- **HRA Capital Development Fund**
  - money set aside in the HRA for capital development works. What we can take out depends on what is available without compromising other expenditure needs of HRA.
- **Homes England Grant Funding**
  - Typically £35K-£75K per property, doesn't have to be repaid, for SR, AR or SO
- **Right to Buy, 1-4-1 Receipts (Supplemented on a 30:70 ratio)**
  - Has to be spent within 3 years, other money in HRA set-aside to allow spend
- **Section106 monies**
  - Amount received fluctuates, should be spent within 3 years typically
- **HRA borrowing**
  - Need to be prudent, rental incomes/sales should enable repayment of loan. Need to avoid a detrimental impact on rest of HRA

# RtB receipts explained

## Typical year, as an example...

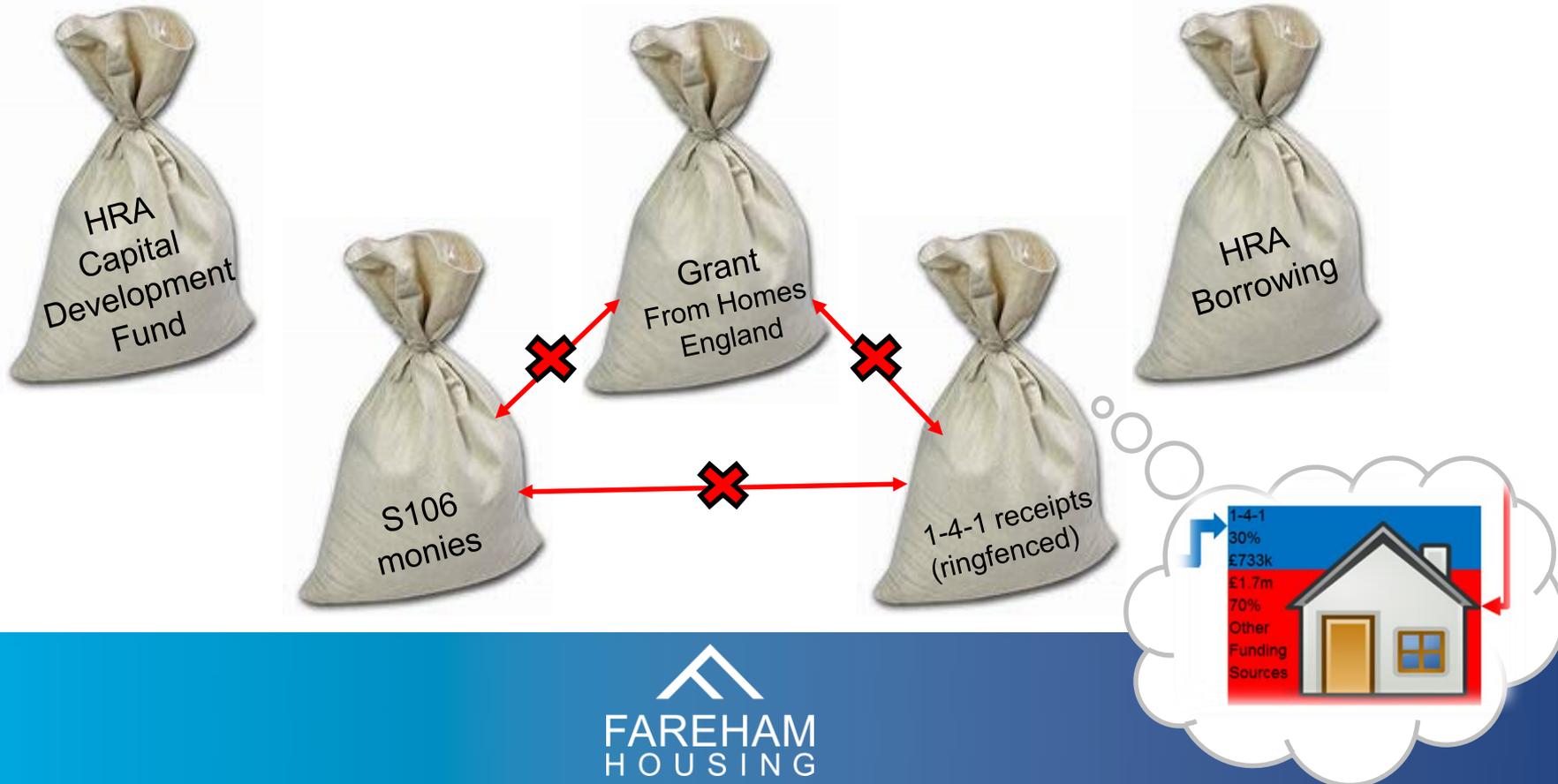
- 16 Council homes sold through Right to Buy
- Average discount on market value of 42%
- Total Capital Receipt of £1.5M (58% of market value)

Page 16



# Funding New Council Homes

Page 17



# Funding so far & pending

- Highlands Rd (Rose Court)

- HRA Capital Development Fund
- Homes England Grant £1.27M

Page 18

- Bridge Rd (Oak Tree Close)

- HRA Capital Development Fund
- Homes England Grant £270K

- Station Rd

- 1-4-1 Receipts
- Holly Hill Mansion Receipt
- External contribution
- Capital Development Fund

- Stubbington Lane

- Homes England Grant £484K?
- Borrowing (source tbc)

# Any Questions

Page 19



